

Washington, D.C. – Today Congressman Earl Blumenauer (D-Ore), a member of the Ways and Means Committee, announced the inclusion of three of his environmental initiatives in the Committee's energy bill. The Ways and Means energy bill includes the closure of the Hummer Tax Loophole, a Carbon Audit of the tax code and a Bike Commuter Benefit. The bill will be considered tomorrow and is expected on the House floor in July.

"I am thrilled the Chairman has included these important environmental provisions in our energy bill," said Congressman Blumenauer. "We are setting a high mark not only for our committee, but for the larger energy bill that will be on the House Floor in July. The provisions I worked hard to include in this bill – closing the Hummer Tax Loophole, doing a Carbon Audit of the tax code, and providing bikers with commuter benefits – are all important steps that move our country in a greener direction.

"The Committee's decision to close the Hummer Tax Loophole demonstrates this Congress's forward-looking approach to the threat of climate change. With sky-high gas prices and a rapidly warming planet, closing the Hummer Tax Loophole eliminates the perverse incentive for businesses to buy the biggest vehicles on the market, which is neither good for the earth nor smart for our pocketbooks.

"Doing a Carbon Audit of the tax code will help us identify ways to reduce emissions and give us great opportunity for reform. It's a leg up for decision makers who will have the information they need to be able to formulate tax policies that make sense fiscally and environmentally.

"Providing cyclists with a fringe benefit – like those that employers can give employees for parking and transit – will level the playing field for people who burn calories instead of gasoline. Not only does the benefit encourage people to save energy and stay fit, but it minimizes congestion on the roads."

The Carbon Audit of the United States Tax Code by the National Academy of Sciences would involve a review the Internal Revenue Code (26 U.S.C. § 1 et seq.) to identify those tax provisions and policies that have the greatest influence on the generation of carbon emissions and other greenhouse gases and to estimate the magnitude of those effects. The study would evaluate the potential for changes in the tax code to reduce carbon emissions. The study will examine areas where the connection between the tax code and carbon emissions are obvious

(e.g., energy taxation) and will consider areas where the connection between the tax code and carbon emissions may be less obvious (e.g., tax policies affecting urban development, which affect climate through travel demand and land-use change). The study will discuss and provide examples of both direct and indirect tax code influences.

Closing the **Hummer Tax Loophole** would fix a serious mistake in the tax code that provides an additional tax incentive for business purchases of luxury SUVs weighing over 6,000 lbs. Originally intended to help businesses buy necessary heavy-duty work vehicles, the “Hummer Tax Loophole” has for years allowed write-offs of anywhere from \$100,000 to the current figure of \$25,000 for the purchase of the largest, most gas-guzzling luxury SUVs, even as concerns over gas prices and dependence on oil have grown. The change offered in the Ways and Means energy bill would not affect legitimate business investments in trucks or vans, such as plumber and contractor trucks, farm vehicles, construction vehicles, flatbed trucks, cement mixers, and a variety of other vehicles as designated by the IRS. The provision is based on H.R. 2715, legislation introduced by Blumenauer earlier this year.

The **Commuter Benefit** for bikers amends section 132(f) of the IRS code to include “bicycles” in the definition of transportation covered by fringe benefits. Included in the Ways and Means energy bill is a benefit of \$20/month for those employees who bike to work, which is a clean, healthy and efficient mode of transportation. The provision is based on H.R. 1498, legislation introduced by Blumenauer earlier this year.